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Paper No. 3

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**JUN 14 2002**

**OFFICE OF PETITIONS**

In re Application of :  
Bakly :  
Application No. 10/036,167 :  
Filed: January 4, 2002 :  
For: METHOD FOR APPLYING :  
RETROREFLECTIVE TARGET TO A :  
SURFACE :

**ON PETITION**

This is a decision on the petition under 37 CFR 1.183, filed February 15, 2002, requesting waiver of the rules, and that the application be accorded a filing date of November 15, 2001.

The petition is **DISMISSED**.

In order for a petition under 37 CFR 1.183 to be granted, petitioner must demonstrate the existence of an extraordinary situation where justice requires waiver of one or more federal regulations. It is the responsibility of the Commissioner to determine the definitions of the terms "extraordinary" and "as justice requires" as the terms are used in 37 CFR 1.183.<sup>1</sup>

In determining when waiver is appropriate, the Office *may* consider the circumstances when courts have exercised their equitable powers to waive requirements of a statute or regulation on behalf of a party. Courts, in determining when waiver is proper, have required due diligence and have required more than a "garden variety claim of excusable neglect."<sup>2</sup> The Federal Circuit has stated, "Equitable powers . . . should not be invoked to excuse the performance of a condition by a party that has not acted with reasonable due care and diligence."<sup>3</sup> Factors which may not justify tolling include: pro se

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<sup>1</sup> See Bowles, Price Administrator v. Seminole Rock & Sand Co., 325 U.S. 410, 413-414, 89 L. Ed. 1700, 1702, 65 S. Ct. 1215, 1217 (1945) ("Since this involves the interpretation of an administrative regulation a court must necessarily look to the administrative construction of the regulation if the meaning of the words used is in doubt. . . . [T]he ultimate criterion is the administrative interpretation, which becomes of controlling weight unless it is plainly erroneous or inconsistent with the regulation.")

<sup>2</sup> See Wiggins v. State Farm Fire and Casualty Co., 153 F. Supp. 2d 16, 21 (D. D.C. 2001) ("A court can equitably toll the statute of limitations . . . plaintiff will not be allowed extra time to file unless he has exercised due diligence, and the plaintiff's excuse must be more than a 'garden variety claim of excusable neglect.'") (citations omitted).

<sup>3</sup> U.S. v. Lockheed Petroleum Services, 709 F.2d 1472, 1475 (Fed. Cir. 1983) (citations omitted) ("Lockheed had several means at its disposal which it could have employed to guarantee compliance with the regulation, yet it neglected to use any of them. Equitable powers . . . should not be invoked to excuse the performance of a condition by a party that has not acted with reasonable due care and diligence."); See also: Grymes v. Sanders et al., 93 U.S. 55, 61; 23 L. Ed. 798, 801 (1876) ("Mistake, to be available in equity, must not have arisen from negligence. . . . The party complaining must have exercised at least the degree of diligence 'which may be fairly expected from a reasonable person.'") (citing Kerr on Fraud and Mistake, 407); Garcia v. Office of Personnel Management, 2001 U.S. App. LEXIS 21616, 6 (Fed. Cir. 2001) ("Equity will not intervene, however, to protect a claimant from his or her own failure to exercise due diligence in preserving their legal rights.") (citing Irwin v. Department of Veterans Affairs, 498 U.S. 89, 95 (1990)); Goetz & Goetz v. Secretary of Health and Human Services, 2001

status, illiteracy, deafness, lack of legal training, lack of knowledge of the law, lack of knowledge of a legal process, and lack of legal representation.<sup>4</sup> An attorney's lack of knowledge, misinterpretation of a law, miscalculation of a time period, and failure to exercise due care and diligence will not justify waiver.<sup>5</sup>

Petitioner has failed to establish that petitioner exercised reasonable, due care and diligence. A reasonable person acting with due care and diligence would have filed the application in compliance with 37 CFR 1.10 to ensure its timely filing in the PTO, as well as preserve adequate evidence of such filing.<sup>6</sup> Petitioner failed to file the application in compliance with 37 CFR 1.10. Petitioner's failure to file the application in compliance with the requirements of 37 CFR 1.10, is simply not an extraordinary situation that would warrant waiver of a rule under 37 CFR 1.183.<sup>7</sup>

Even if waiver of the rule would be appropriate if the application had been mailed on October 31, 2001, petitioner has failed to prove that the application was actually deposited on October 31, 2001, or prior to November 15, 2001. Public Law 97-247, 96 Stat. 317 (1982), amended 35 U.S.C. § 21 to permit, but not require, the Office to prescribe that any paper or fee required to be filed in the Office be considered filed in the Office on the date on which it was deposited with the U.S. Postal Service.

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U.S. App. LEXIS 943, 5 (Fed. Cir. 2001) ("the special master's finding of a lack of due diligence was not arbitrary, capricious, or an abuse of discretion, and precludes the application of equitable tolling.") (citing Baldwin County Welcome Ctr. V. Brown, 466 U.S. 147, 151, 80 L. Ed. 2d 196, 104 S. Ct. 1723 (1984) which states, "One who fails to act diligently cannot invoke equitable principles to excuse their lack of diligence.")

<sup>4</sup> See Felder v. Johnson, 204 F.3d 168 171-172 (5<sup>th</sup> Cir. 2000) (Pro se status is not "rare and exceptional" circumstance, but is typical of those bringing a 28 U.S.C. § 2254 claim. "Mere ignorance of the law or lack of knowledge of filing deadlines does not justify equitable tolling or other exceptions to a law's requirements.") (citing United States v. Flores, 981 F.2d 231, 236 (5<sup>th</sup> Cir. 1993) as "holding pro se status, illiteracy, deafness, and lack of legal training are not external factors excusing abuse of the writ."; citing Barrow v. New Orleans S.S. Ass'n, 932 F.2d 473, 478 (5<sup>th</sup> Cir. 1991) as "holding equitable tolling . . . within the Age Discrimination in Employment Act not warranted by plaintiff's unfamiliarity with legal process, his lack of representation, or his ignorance of his legal rights.", (other citations omitted)).

<sup>5</sup> See Harris v. Hutchinson, 209 F.3d 325, 330-331 (4<sup>th</sup> Cir. 2000) (Plaintiff argues that he relied on "negligent and erroneous advice" of his attorney. Attorney agrees his advice was erroneous. The court holds, "[A] mistake by a party's counsel in interpreting a statute of limitations does not present the extraordinary circumstance beyond the party's control where equity should step in to give the party the benefit of his erroneous understanding.") (citing Taliani v. Chrans, 189 F.3d 597, 598 (7<sup>th</sup> Cir. 1999) as "holding that a lawyer's miscalculation of a limitations period is not a valid basis for equitable tolling."; citing Sandvik v. United States, 177 F.3d 1269, 1272 (11<sup>th</sup> Cir. 1999) (per curiam) as "refusing to toll the limitations period where the prisoner's delay was assertedly the result of a lawyer's decision to mail the petition by ordinary mail rather than to use some form of expedited delivery."; citing Gilbert v. Secretary of Health and Human Services, 51 F.3d 254, 257 (Fed. Cir. 1995) as "holding that a lawyer's mistake is not a valid basis for equitable tolling."; other citations omitted.)

<sup>6</sup> "The procedures set out in the PTO's regulations are designed to provide the type of direct evidence needed to prove when and to where a lost amendment [or other paper] was sent. Had plaintiff's counsel followed these procedures, as a 'prudent and careful man' would have done in conducting 'his most important business,' then he would have been able to provide sufficient evidence to support a showing of unavoidable delay." Krahn v. Commissioner of Patents and Trademarks, 15 U.S.P.Q.2d (BNA) 1823 (E.D. Va. 1990).

<sup>7</sup> See Honigsbaum v. Lehman, 903 F. Supp. 8, 37 USPQ2d 1799 (D.D.C. 1995) (Commissioner did not abuse his discretion in refusing to waive requirements of 37 CFR 1.10(c) in order to grant filing date to patent application, where applicant failed to produce Express Mail customer receipt or any other evidence that application was actually deposited with USPS as Express Mail), aff'd without opinion, 95 F.3d 1166 (Fed. Cir.1996); Nitto Chemical Industry, Co., Ltd. v. Comer, 39 USPQ2d 1778, 1782 (D.D.C. 1994) (Commissioner's refusal to waive requirements of 37 CFR 1.10 in order to grant priority filing date to patent application not arbitrary and capricious, because failure to comply with the requirements of 37 CFR 1.10 is an "avoidable" oversight that could have been prevented by the exercise of ordinary care or diligence, and thus not an extraordinary situation under 37 CFR 1.183); Vincent v. Mossinghoff, 230 USPQ 621 (D.D.C. 1985) (Misunderstanding of 37 CFR 1.8 not unavoidable delay in responding to Office Action); Gustafson v. Strange, 227 USPQ 174 (Comm'r Pats. 1985) (Counsel's unawareness of 37 CFR 1.8 not extraordinary situation warranting waiver of a rule); In re Chicago Historical Antique Automobile Museum, Inc., 197 USPQ 289 (Comm'r Pats. 1978) (Since certificate of mailing procedure under 37 CFR 1.8 was available to petitioner, lateness due to mail delay not deemed to be extraordinary situation).

While 35 U.S.C. 21 grants the Director the authority to consider any paper or fee filed in the USPTO on the date the paper or fee was deposited with the USPS, the Director has specifically refused to exercise that authority in favor of mail other than Express Mail. The Office allows the use of Express Mail because it provides an applicant with evidence of mailing. However, petitioner failed to mail the application in compliance with 37 CFR 1.10.

The Office has considered allowing the deposit of application papers by methods other than Express Mail. For example, the suggestion that 37 CFR 1.8 be applicable to application papers deposited with the U.S. Postal Service for purposes of obtaining a filing date was considered *and expressly rejected*.<sup>8</sup> 37 CFR 1.8 provides a procedure by which the timely filing of papers and fees deposited with the U.S. Postal Service may be established *without independent corroboration by an employee of the U.S. Postal Service*. The criticality of an application filing date was considered adequate to justify independent verification by an employee of the U.S. Postal Service of the date of deposit of the application papers with the U.S. Postal Service. Put simply, the insertion by a disinterested employee of the U.S. Postal Service of the date of deposit in the U.S. Postal Service by Express Mail on the Express Mail label of the envelope containing application papers is the *raison d'être* of 37 CFR 1.10.<sup>9</sup> Postal employees are presumed to discharge their duties in a proper manner.<sup>10</sup>

Declarations alone, without corroborating evidence, are normally insufficient to establish a filing date.<sup>11</sup> Petitioner's assertion that the above-identified application was deposited on

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<sup>8</sup> The final rulemaking published on January 20, 1983, at 48 FR 2696-2714 and on February 1, 1983, at 1027 O.G. 9, contains the following comment:

Comment: Two comments were received which proposed that only a certificate of mailing procedure as in § 1.8(a) be used for determining the date of deposit under 35 U.S.C. § 21.

Reply: The filing date of an application is considered to be much more critical than the filing dates of papers accepted under § 1.8(a). The application filing date is often critical for determining if a statutory bar exists, whether foreign priority can be claimed and who is the senior party in an interference. Therefore, papers filed for purposes of receiving an application filing date should have some clear indication of the date of receipt by the United States Postal Service. Such a practice would also probably require storing all of the envelopes in the file wrapper for record purposes.

As explained in the final rulemaking, Express Mail service was found to be preferable because "a readily legible mailing date is provided to both the applicant and the Patent and Trademark Office on the 'Express Mail' label."

<sup>9</sup> In promulgating 37 CFR 1.10, the Office also considered other types of mail service (e.g., registered mail and certified mail), but chose the "Express Mail" service since this service provides, *inter alia*, a legible mailing date on the "Express Mail" label for the records of both the applicant and the Office. See "Revision of Patent Procedure," 48 Fed. Reg. at 2697, 1027 Off. Gaz. Pat. Office 12-13.

<sup>10</sup> Charlson Realty Co. v. United States, 690 F.2d 434, 442 (Ct. Cl. 1967).

<sup>11</sup> Federal Register at 48 Fed. Reg. 2696 (January 20, 1983), and in the Patent and Trademark Office *Official Gazette* at 1027 Off. Gaz. Pat. Office 9 (February 1, 1983) ("Comment: One person commented that he found the idea of using a declaration or affidavit to establish a date of deposit unacceptable because it exposes the integrity of the assignment of filing dates to the risk of deception. Reply: The use of declarations or affidavits is usually intended to help explain activities which can be supported by exhibits. For example, if the Office copy of the mailing label was not entirely readable, applicant's copy of the "Express Mail" mailing label could accompany a declaration and serve as the basis for granting a filing date.")

Honigsbaum v. Lehman, 903 F. Supp. 8, 37 USPQ2d 1799 (D.D.C. 1995) ("Plaintiff thereafter submitted three affidavits, a declaration, and copies of two pages of records from his attorney's law firm, but the Commissioner finally denied plaintiff's petition for a filing date on the grounds that, if plaintiff had used Express Mail properly, he would have had an Express Mail receipt showing the actual date of mailing; and that the materials later submitted by the plaintiff were not good enough proof.

The materials plaintiff gathered together included a photocopy copy of an Express Mail label that is undated and bears no evidence of any U.S. Postal Service handling. Nothing submitted by plaintiff to the Patent and Trademark Office is corroborated by anything outside the office of the submitting counsel. It was the view of the Commissioner of Patent and Trademarks that these circumstances did not establish the extraordinary conditions that might warrant a waiver.

October 31, 2001, is not corroborated by any evidence outside the office of submitting counsel.<sup>12</sup>

It was the availability of an Express Mail label/receipt dated by a disinterested third party (a USPS employee) which persuaded the Commissioner to adopt the use of Express Mail service as the vehicle to implement the authority granted the Commissioner by 35 U.S.C. 21(a). In adopting the Express Mail procedure, the Commissioner specifically rejected the idea of using self serving statements by the applicant or applicant's agent as a means of establishing the date of deposit of a paper or fee with the USPS.

Thus, only the most extraordinary circumstances would justify reliance on a patent applicant's self serving statement, as opposed to an Express Mail receipt, as the means to establish a date of mailing for the purpose of according a filing date to an application for patent. Extraordinary circumstances include when the date-in entered by an USPS employee is illegible or the employee fails to enter a date-in on the label. In both of these instances, an error by the USPS is evident from the receipt itself.<sup>13</sup>

Petitioner has failed to prove that the application was deposited on October 31, 2001, or to prove that the application was deposited prior to November 15, 2001. Petitioner's only evidence that the application was filed on or prior to November 15, 2001, is a statement by petitioner.

Even if petitioner could prove the application was mailed on or before November 15, 2001, petitioner failed to act with due care and diligence by failing to mail the application in compliance with 37 CFR 1.10. Therefore, justice does not required waiver of 37 CFR 1.10.

Justice also does not demand waiver of 37 CFR 1.10 because petitioner has not demonstrated that the application will be denied patentability due to the later filing date. The fact that it *might* be denied patentability is insufficient.<sup>14</sup> Petitioner has not shown that the assignment of the January 4, 2002 filing date to the application has resulted in any actual harm to petitioner. If the patentability of the application is not affected by the assignment of a later filing date, then justice does not require waiver of the rule.

Since the petition lacks a showing that the application was deposited on or before November 15, 2001, the petition under 37 CFR 1.183 is subject to dismissal. Since the petition lacks a showing that this is an extraordinary situation in which "justice requires" suspension of the rules, the petition under 37 CFR 1.183 is subject to dismissal.

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The decision was for the Commissioner to make, and I cannot find on the basis of the record presented to me that the Commissioner's decision was arbitrary, capricious, an abuse of discretion, or otherwise not in accordance with law."'), aff'd without opinion, 95 F.3d 1166 (Fed. Cir.1996).

<sup>12</sup> See Honigsbaum v. Lehman, 903 F.Supp. 8, 10 (D.D.C. 1995);

<sup>13</sup> Another circumstance is when petitioner alleges that the date-in was incorrectly entered. In such a situation, the Office will accept information from the USPS which indicates the date-in is incorrect and will accept evidence from petitioner created within one business day of deposit of the envelope with the USPS. In implementing 35 USC § 21, and determining the breadth of 37 CFR 1.10, the Office chose to require corroboration from outside the party's control except for business records created within one business day of deposit. Declarations or affidavits by the individuals who prepared the application for filing and deposited the application in Express Mail service have been accepted to show the actual date of mailing, if properly supported by exhibits.

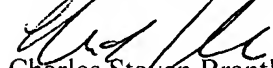
<sup>14</sup> See Nitto Chemical Industry, Co., Ltd. v. Comer, 39 USPQ2d 1778, 1782 (D.D.C. 1994) ("As a final matter, Nitto suggests that its patent applications have been prejudiced by the Commissioner's failure to give the applications a filing date of February 28, 1991. Opp. at 9. The Commissioner has acknowledged that, without the benefit of the foreign patent filing date of February 28, 1990, the patentability of Nitto's inventions could be adversely affected. Motion at 4. However, Nitto did not submit evidence showing that the inventions claimed in the two applications have been, or will be, denied patentability over applications filed between February 28, 1990, and May 2, 1991. Reply at 3-4. Thus, the Commissioner had no basis on which to determine whether "justice required" him to award Nitto's applications the earlier filing date.")

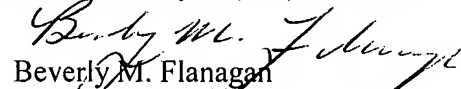
Conclusion:

Congress, through 35 USC 21, chose to allow the Commissioner, at his discretion, to create rules which would allow the filing date to be the date of deposit with the USPS, rather than the date of receipt by the Patent and Trademark Office. The Commissioner had the responsibility of deciding exactly what group of applications would be accorded a filing date as of the date of receipt by the Office and which group would be given a filing date as of the date of deposit with the USPS. The Commissioner chose to allow the second group to only be comprised of applications mailed in compliance with 37 CFR 1.10. The purpose of 37 CFR 1.183 is to deal with extraordinary circumstances where justice requires waiver of a rule, not to expand the size of the second group by circumventing 37 CFR 1.10. Petitioner has failed to establish that this is an extraordinary situation where justice requires waiver of the rule.

The file is now being forwarded to Technology Center 1700 for examination in due course.

Telephone inquiries should be directed to Petitions Attorney Steven Brantley at (703) 306-5683.

  
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